welplan

Introductory Guide to Welplan Pensions for H&V Operatives

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Entitlement

What am I entitled to?

As an operative employed under the terms of the H&V Operative National Agreement, or equivalent, from 4 October 2010 you are entitled to participate in your employer's contributory pension scheme and to receive a weekly employer contribution. The parties to the National Agreement recognise the growing need for operatives to have additional income in retirement.

What contribution will my employer make for me?

From the date you are enrolled, your employer will make a weekly contribution of 1% of your basic earnings less the Primary Earnings Threshold and he will continue to make this contribution for you while you continue to be employed by him and you choose to remain a member of the scheme.

What is the Primary Earnings Threshold?

The Primary Earnings Threshold (PET) is set by Government with regard to National Insurance contributions. However, the threshold has been adopted here by the parties to the Operative National Agreement simply to identify the band of your basic earnings on which the amount of your employer's pension contributions is calculated. The value of the Primary Earnings Threshold at the date on which the National Agreement was concluded was £110/week.

Which pension scheme is my employer going to use?

Your employer has chosen Welplan Pensions which is the HVACR industry's employers' contributory pension scheme.

Do I need to take any action now?

No – you do not need to take any action to join the scheme now because your employer will automatically enrol you in the scheme from 4 October 2010 or, if you are not employed on that date, from your first date of employment following that date.

Do I have to make a contribution?

No, but you may choose to make an additional contribution on a voluntary basis. Your employer can also choose to make an additional employer contribution.

Scheme design

What type of pension scheme is Welplan Pensions?

Welplan Pensions is a defined contribution, industry-wide occupational pension scheme. Contributions buy fund units that are credited to your individual named account. The units are sold on your retirement (or death), normally to provide an annuity and a tax-free lump sum in accordance with Her Majesty's Revenue and Customs (HMRC) regulations.

Your benefits at retirement or death will depend on:

- the amount of contributions paid into your fund and the length of time over which these were paid
- the investment performance of the funds
- the annuity terms available from the chosen insurer; and
- HMRC limits

When will Welplan Pensions confirm that I am a scheme member?

Following your employer's first contribution, Welplan Pensions will confirm that you are an active member of the scheme and make available a Scheme Membership Guide which explains how the scheme works, including:

- how to make a voluntary contribution (if you choose to do so);
- how your contributions will be invested;
- what information you can expect to receive annually from Welplan Pensions whilst you hold funds in the scheme.

Investment

How will contributions be invested?

Initially contributions will be invested in the default investment fund which is Legal and General's Consensus Index Fund, but you then have the option to invest in alternative funds if you so wish.

What charges are made on my Welplan Pensions fund?

An annual management charge of 1% is deducted from your fund each year to meet the running costs of the scheme. The scheme does not make any other charges, does not pay commission and provides a free open-market annuity service on retirement.

What if I already pay into a pension arrangement?

Pension legislation allows you to be a member of more than one pension scheme at the same time so you can still be enrolled in Welplan Pensions.

Flexibility

Can I transfer funds to or from another pension scheme or arrangement?

Subject to the requirements of your other scheme provider(s) and HMRC regulations, your funds can be transferred to or from Welplan Pensions. Welplan Pensions makes no charge for such transfers.

What happens if I change employer?

If you change jobs and join another employer who participates in Welplan Pensions you can normally continue your membership of the Scheme. The level of your contributions and those of your new employer may change, however, in line with your new offer of employment.

Do I have to participate in Welplan Pensions?

Your employer has chosen Welplan Pensions to deliver your entitlement but you can choose to leave the scheme at any time. However, you must bear in mind that in doing so you may lose the benefit of your employer's contribution.

Can Welplan Pensions provide me with advice?

The scheme's in-house administration team is able to provide you with full details on all aspects of the scheme's operation, including what to do if you wish to leave, retire or make a transfer. However, if you require advice about your own personal financial circumstances in relation to scheme membership, particularly if you wish to consider leaving the scheme or transferring an existing pension fund to or from the scheme, then you should seek advice from an independent financial adviser.

What happens to my pension savings if my employer becomes insolvent?

Pension contributions are invested in funds managed by Legal & General Investment Management. The investment funds are controlled by the Scheme Trustee, Welplan Ltd, not an individual employer. Accordingly, your fund with Welplan Pensions will not be affected if your employer becomes insolvent.

For further information:

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